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News Release

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Shakopee man pleads guilty to wire fraud, identity theft

A 52-year-old Shakopee man pleaded guilty today in federal court to one count of aggravated identity theft and one count of wire fraud in connection with a scheme to defraud a loan company. Jeffrey Scot Graham entered his plea in Minneapolis before United States District Court Judge Joan Ericksen. Graham was indicted on August, 5, 2008.

In his plea agreement, Graham admitted executing the loan fraud scheme during May 2007. Specifically, Graham submitted a fraudulent cash advance application in the amount of \$38,000 to a funding company on behalf of his business, Splash Water Sports News of Shakopee. Graham applied for the loan using the name and Social Security number of another individual, who had no knowledge of and had not consented to the loan application or the use of his name and other identifying information. The fraudulent loan application was approved, and Graham received the \$38,000.

In addition to defrauding the loan company, Graham admitted as part of his plea to submitting 26 fraudulent lease agreements to companies that lease credit card processing equipment. In doing so, he used the names, Social Security numbers, or bank account numbers of individuals who had no knowledge of the leases and had not given Graham permission to submit the leases using their identifying information. With respect to both the loan agreement and the leases, Graham forged the signatures of the individuals whose identities he stole.

The government estimates the loss amount for sentencing purposes, defined as actual and intended loss resulting from allegedly fraudulent loan and lease agreements, to be between \$200,000 and \$400,000. The government also asserts that the victims numbered 10 or more.

Following today's court hearing, U.S. Attorney B. Todd Jones commented, "Financial fraud and identity theft too often combine to cause not only economic loss to businesses but months and years of frustration to the individual victims, who must now struggle to restore their credit and good names." Jones went on to say, "The conduct in this case spanned a number of jurisdictions and included victims outside Minnesota as well as many within the State. The

successful investigation and prosecution in this matter is a credit to the sustained, coordinated efforts of a host of local, State, and federal law enforcement agencies.”

If convicted, Graham faces a potential maximum of 20 years in prison for wire fraud, and a mandatory two-year consecutive sentence for aggravated identity theft. Judge Ericksen will determine Graham’s sentence at a future date.

This case is the result of an investigation by the U.S. Postal Inspection Service, the Minnesota Financial Crimes Task Force, the Sherburne County Sheriff’s Office as well as the police departments of Minnetonka and Shakopee. It is being prosecuted by Assistant U.S. Attorney David M. Genrich.